

ALLEN ACTION AGENCY, INC.  
Oberlin, Louisiana

A Component Unit of the Allen Parish Police Jury

GENERAL PURPOSE FINANCIAL STATEMENTS

For The Year Ended June 30, 2002

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Mires & Company  
A Professional Corporation  
*Certified Public Accountants*

Members:  
American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants  
Private Company Practice Section AICPA

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Allen Action Agency, Inc.  
A Component Unit of the Allen  
Parish Police Jury  
Oberlin, Louisiana

We have audited the accompanying general purpose financial statements of the Allen Action Agency, Inc., a component unit of the Allen Parish Police Jury, as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the Allen Action Agency, Inc., management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Allen Action Agency, Inc., as of June 30, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2002, on our consideration of Allen Action Agency, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

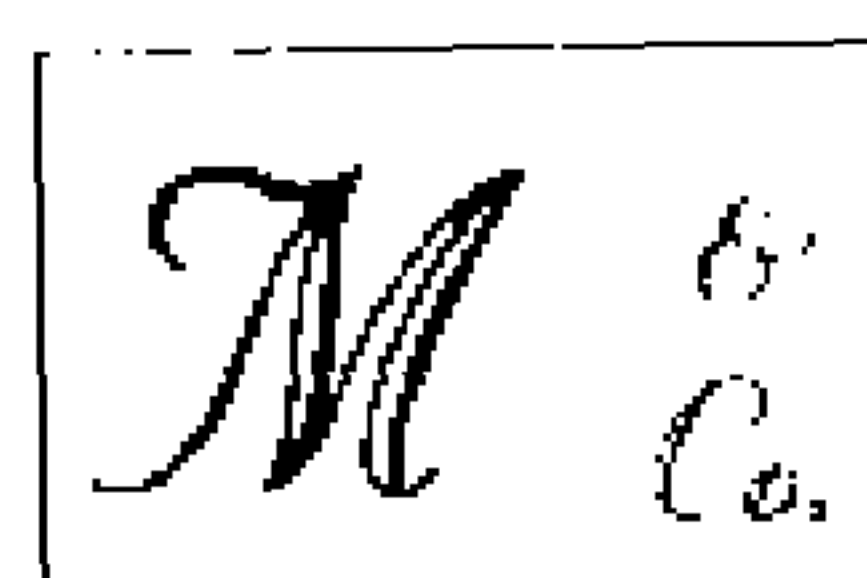
Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Allen Action Agency, Inc. The accompanying schedule of

Allen Action Agency, Inc.  
A Component Unit of the Allen Parish Police Jury  
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expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of Board of Directors States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the general purpose financial statements of Allen Action Agency, Inc. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements; and, in our opinion, the information is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Mires & Company, CPAs, APC.*

Mires & Company, CPAs, APC  
October 2, 2002



## GENERAL PURPOSE FINANCIAL STATEMENTS



ALLEN ACTION AGENCY, INC.  
A Component Unit of the Allen Parish Police Jury  
COMBINED BALANCE SHEET - All Fund Types and Account Groups  
June 30, 2002

	Governmental Fund Type	Account Groups			Total (Memorandum Only)
		General	General	General	
		Fund	Fixed Assets	Long-Term Debt	
ASSETS					
Cash	\$ 29,094	\$	-	\$	\$ 41,116
Due from other governments	-		-		34,254
Due from other funds	9,216		-		11,387
Furniture, fixtures, transportation, and equipment	-	1,084,303	-		1,084,303
Amount to be provided for retirement of general long-term debt	-		-	493,678	493,678
Total Assets	\$ 38,310	\$ 1,084,303	\$ 493,678		\$ 1,664,738
LIABILITIES					
Accounts payable	\$ -	\$	-	\$	\$ 26,347
Due to other funds	875		-		11,387
Payroll taxes payable	1,481		-		1,481
Note payable	-		-	486,519	486,519
Compensated absences payable	-		-	7,159	7,159
Total Liabilities	2,356		-	493,678	532,893
FUND EQUITY					
Fund Equity:					
Unreserved	35,954		-		35,954
Reserved for restricted purpose	-		-		11,588
Reserved for investment in fixed assets	-		1,084,303		1,084,303
Total Fund Equity	35,954		1,084,303		1,131,845
Total Liabilities and Fund Equity	\$ 38,310	\$ 1,084,303	\$ 493,678		\$ 1,664,738

The accompanying notes are an integral part of this statement.

ALLEN ACTION AGENCY, INC.

A Component Unit of the Allen Parish Police Jury

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

For the Year Ended June 30, 2002

	General Fund	Special Revenue	Total (Memorandum Only)
REVENUES			
State and federal grants .....	\$ -	\$ 1,176,755	\$ 1,176,755
In-kind contributions .....	-	214,123	214,123
Other .....	<u>13,849</u>	<u>6,908</u>	<u>20,757</u>
Total Revenues	<u>13,849</u>	<u>1,397,786</u>	<u>1,411,635</u>
EXPENDITURES			
Salaries .....	13,534	555,228	568,762
Fringe benefits .....	1,604	79,216	80,820
Travel .....	2,453	20,304	22,757
Program services .....	3,165	404,387	407,552
Capital outlay .....	-	14,942	14,942
Debt service .....	-	97,102	97,102
Other .....	<u>-</u>	<u>214,123</u>	<u>214,123</u>
Total Expenditures	<u>20,756</u>	<u>1,385,302</u>	<u>1,406,058</u>
Excess (Deficiency) of Revenues over Expenditures	(6,907)	12,484	5,577
FUND BALANCES (Deficit) - BEGINNING, AS PREVIOUSLY REPORTED	<u>42,861</u>	<u>(1,928)</u>	<u>40,933</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>1,032</u>	<u>1,032</u>
FUND BALANCES (Deficit) - BEGINNING, AS RESTATED	<u>42,861</u>	<u>(896)</u>	<u>41,965</u>
FUND BALANCES (Deficit) - ENDING	<u>\$ 35,954</u>	<u>\$ 11,588</u>	<u>\$ 47,542</u>

The accompanying notes are an integral part of this statement.

ALLEN ACTION AGENCY, INC.  
A Component Unit of the Allen Parish Police Jury

Notes to Financial Statements  
June 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Allen Action Agency, Inc., incorporated under the laws of the State of Louisiana on August 19, 1965, is a nonprofit organization as defined by Section 501(c)(3) of the Internal Revenue Code. The laws of the State of Louisiana exempt the Agency from Louisiana taxation. The majority of this agency's funding comes from government grants renewable annually.

The financial statements of the Allen Action Agency, Inc. have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization that is fiscally dependent on the primary government should be included in its reporting entity.

Based on the following application of criteria, there are no potential component units which should be included in the Agency's financial statements. The Agency is a component unit of the Allen Parish Police Jury based on a review of various entities performed by the Louisiana Legislative Auditor's Office. It is the opinion of that office that community action agencies are nonprofit corporations established to perform a public purpose which the parish police jury is statutorily authorized to perform. The police jury appoints two members of the governing board of the community action agency (which is not considered a voting majority.) However, because the nature and significance of the relationship between the community action agency and the police jury are such, exclusion from the financial reporting of the police jury would render the financial statements incomplete or misleading. This report includes all funds which are controlled by the Allen Action Agency, Inc.'s Board of Directors.

Fund Accounting

The accounts of the Allen Action Agency, Inc. are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The governmental funds and the programs comprising them as presented in the financial statements are described as follows:

General Fund

The General Fund is the general operating fund of the Agency. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the funding source (federal, state, or local) from which they are derived.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following are the funds which comprise the Agency's Special Revenue Funds:

CSBG Regular Fund

The CSBG Fund accounts for funds granted by the United States Department of Health and Human Services under the Community Services Block Grant Program. This program provides funds to assist in ameliorating the causes and consequences of poverty.

Summer Child Care Fund

This fund accounts for monies received from the U.S. Department of Health and Human Services. This program provides child care services primarily to economically disadvantaged preschool children of working parents.

Emergency Energy Assistance Fund

The Emergency Energy Assistance Fund accounts for funds donated to local utility companies by the public to provide to low income families.

Commodity Distribution Fund

The Commodity Fund accounts for commodity distributions granted by the United States Department of Agriculture under the Food Distribution Program.

Food & Nutrition Program Fund

This fund accounts for funds received from the State of Louisiana Department of Education to be used for the expenditures relating to the operations of the child care food program.

Headstart Fund

The Headstart Fund accounts for monies received from the U.S. Department of Health and Human Services. This program provides comprehensive health, educational, nutritional, social and other services primarily to economically disadvantaged preschool children.

LiHeap Fund

The LiHeap Fund accounts for funds granted by the United States Department of Health and Human Services under the Low Income Home Energy Assistance Block Grant Program. This program assists low income persons with meeting the costs of home energy.

Weatherization Program Fund

This fund accounts for funds granted by the Louisiana Department of Social Services and U.S. Department of Energy. This program attempts to conserve energy and reduce the impact of rising energy costs on low-income persons through the installation of energy-conserving measures in their dwellings.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Emergency Food and Shelter (United Way) Fund

The Emergency Food and Shelter (United Way) Fund accounts for funds granted by the Emergency Food and Shelter National Board Program.

Headstart Parents Fund

This fund accounts for monies generated by activities of Headstart participants' parents, which is under the control of the Allen Action Agency, Inc.'s Board of Directors.

Account Groups -

Account groups are used to establish accounting control and accountability for the Agency's general fixed assets and general long-term debt. The account groups are not funds. They are concerned only with the measurement of financial position, not with measurement of results of operations.

1. General Fixed Assets Account Group. Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group.
2. General Long-Term Debt Account Group. Long-term debt expected to be financed from governmental funds is accounted for in the general long-term debt group.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Governmental fund revenues are susceptible to accrual if the related expenditure has been incurred as of the balance sheet date. Other revenue, not related to a specific expenditure, is recognized when received.

Budget Policy

The Agency is not required and did not adopt a budget for this fiscal year.

General Fixed Assets

General fixed assets are not capitalized in the funds used to acquire them. Instead, capital acquisitions are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed

ALLEN ACTION AGENCY, INC.  
A Component Unit of the Allen Parish Police Jury

Notes to Financial Statements (Continued)  
June 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Asset Account Group.** All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. No depreciation has been provided for any general fixed assets and presentation of this account information is not intended to purport them as available resources for present or future Agency operations.

Deposits with Financial Institutions

Cash includes amounts in demand deposits. Under state law, the Agency may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

As reflected in the Balance Sheet, the Agency has cash carrying value totaling \$41,116 at June 30, 2002. Total bank deposits at year end were \$92,840. The total amount is fully insured through federal deposit insurance.

Compensated Absences/Changes in Long Term Debt

Vested or accumulated vacation leave that is not expected to be liquidated with expendable available financial resources is reported in the General Long-Term Debt Account Group. No liability for sick leave is reported in the financial statements since the Agency does not pay any accrued sick leave amounts at separation.

Employees accrue vacation and sick leave based on years of service. Employees with three years of service or less accrue 8 hours of vacation and sick leave, three to five years of service permits 10 hours of accrual, and employees with five or more years of service accrue 12 hours. At June 30, 2002, accrued vacation leave was \$7,159. Sick leave was \$43,308. Accrued vacation leave (General Long-Term Debt Account Group) increased by \$2,736 from \$4,423 at June 30, 2001 to \$7,159 at June 30, 2002.

Short-term Interfund Receivable/Payables

During the course of operations, transactions occur between the General Fund and other funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the Balance Sheet.

Total Columns of Combined Statements - Overview

Total columns on the combined statements - overview are captioned "memorandum only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.



ALLEN ACTION AGENCY, INC.  
A Component Unit of the Allen Parish Police Jury

Notes to Financial Statements (Continued)  
June 30, 2002

NOTE 2 - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE 3 - INCOME TAX STATUS

The Allen Action Agency, Inc., a non-profit corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance 7/01/01	Additions	Deletions	Balance 6/30/02
Building and Improvements . . . . .	\$ 729,471	\$ -	\$ -	\$ 729,471
Automobiles . . . . .	138,744	-	-	138,744
Furniture and Equipment . . . . .	202,146	14,942	11,039	206,049
Land . . . . .	10,039	-	-	10,039
Totals	<u>\$1,080,400</u>	<u>\$ 14,942</u>	<u>\$ 11,039</u>	<u>\$1,084,303</u>

NOTE 5 - IN-KIND CONTRIBUTIONS

The Agency records in-kind contributions for the Headstart Program for various personal services rendered, space donated, travel expenditures incurred, and other miscellaneous donations. These amounts have been recorded in the Headstart Special Revenue Fund.

NOTE 6 - JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

Management has represented that there is no litigation pending against the Agency at June 30, 2002. Furthermore, the Agency's management believes that any potential lawsuits would be adequately covered by insurance. The Agency has not retained the risk of loss in relation to insurance matters. Their policy is to purchase commercial insurance for any of their needs.

The Agency receives revenues from various Federal and State grant programs which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are normally recognized in the period in which agreed upon between the parties involved. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Agency's financial position.

NOTE 7 - ECONOMIC DEPENDENCY

The Agency receives the majority of its revenue from funds provided through grants. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the



ALLEN ACTION AGENCY, INC.  
A Component Unit of the Allen Parish Police Jury

Notes to Financial Statements (Continued)  
June 30, 2002

NOTE 7 - ECONOMIC DEPENDENCY

federal and/or state level, the amount of the funds the Agency receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Agency will receive in the next fiscal year.

NOTE 8 - OTHER REQUIRED DISCLOSURES

Deficit Fund Balances - The following Special Revenue Funds have deficit fund balances due to timing of expenditure recognition:

(1) LiHeap Grant Fund \$2,797 and (2) Weatherization Grant Fund \$1,384.

Due from Other Governments - Amounts due from other agencies are comprised of the following:

CSGB Grant - Exp. Reimbursement	\$ 2,897
Food and Nutrition Program	
Grant - Exp. Reimbursement	5,786
LiHeap Grant - Exp. Reimbursement	24,610
Weatherization Program Grant -	
Exp. Reimbursement	<u>961</u>
Total	<u>\$ 34,254</u>

Interfund Assets/Liabilities - The following funds had short term loan transactions at June 30, 2002:

	<u>Receivable</u>	<u>Payable</u>
General Fund . . . . .	\$ 9,216	\$ 875
Special Revenue Funds:		
Weatherization . . . . .	724	2,243
CSBG Fund . . . . .	-	2,882
Commodity Distribution . . . . .	286	185
LiHeap . . . . .	64	3,279
Emergency Energy . . . . .	24	154
Food and Nutrition . . . . .	983	286
United Way . . . . .	<u>90</u>	<u>1,483</u>
Total	<u>\$ 11,387</u>	<u>\$ 11,387</u>

Reserved Fund Balances - The special revenue fund balances are reflected as reserved for restricted purposes due to the nature of the funds. All of the special revenue funds are grant programs, whose funds are required to be expended for specific purposes outlined in the various grant documents.

NOTE 9 - DEFERRED COMPENSATION PLAN

The Agency maintains a 403(b) plan for its employees of the Headstart program and Agency administrative personnel. Under this plan, there is no fixed dollar amount of retirement benefits. Employee and employer

ALLEN ACTION AGENCY, INC.  
A Component Unit of the Allen Parish Police Jury

Notes to Financial Statements (Continued)  
June 30, 2002

NOTE 9 - DEFERRED COMPENSATION PLAN

contributions determine the retirement benefits available. Contributions are invested in mutual funds, which will be the custodian. Participants are eligible by completing one month of service with the Agency. Employee contributions cannot exceed 10% of compensation. Employer contributions are discretionary. Vesting is automatic. Participants may receive loans from their individual accounts up to the lesser of \$50,000 or 50% of their account balance. Loans will bear interest at a rate determined by the plan administrator. The term of loans may not exceed 5 years.

NOTE 10- CHANGES IN GENERAL LONG-TERM OBLIGATIONS

Allen Action Agency, Inc. obtained permanent financing in the amount of \$599,879 for the purpose of constructing a new Headstart facility in Oakdale, Louisiana. Payments are due in monthly installments of \$2,595 through February 20, 2031, with interest at 4.75%.

The following is a summary of long-term obligation transactions for the year ended June 30, 2002:

	<u>Note Payable</u>	<u>Compensated Absences</u>	<u>Total</u>
Long-term obligations			
payable at July 1, 2001 .....	\$ 583,621	\$ 4,423	\$ 588,044
Additions .....	-	4,003	4,003
Deductions .....	<u>97,102</u>	<u>1,267</u>	<u>98,369</u>
Long-term obligations			
payable at June 30, 2002 .....	<u>\$ 486,519</u>	<u>\$ 7,159</u>	<u>\$ 493,678</u>

The annual requirements to amortize the note payable at June 30, 2002, including interest of \$403,480, are as follows:

Year ending June 30,:	
2003	\$ 31,137
2004	31,137
2005	31,137
2006	31,137
2007	31,137
2008-2012	155,685
2013-2017	155,685
2018-2022	155,685
2023-2027	155,685
2028-2031	<u>111,574</u>
Total	<u>\$ 889,999</u>

NOTE 10 - PRIOR PERIOD ADJUSTMENTS

The following individual Special Revenue Funds recorded prior period adjustments to their beginning fund balances:

ALLEN ACTION AGENCY, INC.  
A Component Unit of the Allen Parish Police Jury

Notes to Financial Statements (Continued)  
June 30, 2002

NOTE 10 - PRIOR PERIOD ADJUSTMENTS

CSBG Fund	- Outstanding check at 06/30/2001 not reflected in bank reconciliation at 06/30/2001.
Summer Child Care Fund	- Incorrect cash balance at 06/30/2001.
Weatherization Fund	- Account payables at 06/30/2000 not adjusted in year ended 06/30/2001.

NOTE 11 - GASB STATEMENT NO. 34

Allen Action Agency, Inc. is not required to implement GASB No. 34 until the period of July 1, 2003 to June 30, 2004.

## SUPPLEMENTARY SCHEDULES



ALLEN ACTION AGENCY, INC.  
A Component Unit of the Allen Parish Police Jury  
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS  
Year Ended June 30, 2002

	CSBG Regular Grant	Summer Child Care	Emergency Energy	Commodity Distribution	Food and Nutrition Program	Headstart Fund	LiHeap Grant	Weatherization Program	United Way	Headstart Parents	Total
ASSETS											
Cash .....	\$ -	\$ 34	\$ 277	\$ 67	\$ 2,435	\$ 32	\$ 418	\$ 135	\$ 7,035	\$ 1,589	\$ 12,022
Due from other governments .....	2,897	-	-	-	5,786	-	24,610	961	-	-	34,254
Due from other funds .....	-	-	24	286	983	-	64	724	90	-	2,171
Total Assets	<u>2,897</u>	<u>34</u>	<u>301</u>	<u>353</u>	<u>9,204</u>	<u>32</u>	<u>25,092</u>	<u>1,820</u>	<u>7,125</u>	<u>1,589</u>	<u>48,447</u>
LIABILITIES											
Accounts payable .....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,610	\$ 961	\$ -	\$ 776	\$ 26,347
Due to other funds .....	2,882	-	154	185	286	-	3,279	2,243	1,483	-	10,512
Total Liabilities	<u>2,882</u>	<u>-</u>	<u>154</u>	<u>185</u>	<u>286</u>	<u>-</u>	<u>27,889</u>	<u>3,204</u>	<u>1,483</u>	<u>776</u>	<u>36,859</u>
FUND EQUITY											
Fund Equity .....	15	34	147	168	8,918	32	(2,797)	(1,384)	5,642	813	11,588
Total Fund Equity	<u>15</u>	<u>34</u>	<u>147</u>	<u>168</u>	<u>8,918</u>	<u>32</u>	<u>(2,797)</u>	<u>(1,384)</u>	<u>5,642</u>	<u>813</u>	<u>11,588</u>
Total Liabilities and Fund Equity	<u>2,897</u>	<u>34</u>	<u>301</u>	<u>353</u>	<u>9,204</u>	<u>32</u>	<u>25,092</u>	<u>1,820</u>	<u>7,125</u>	<u>1,589</u>	<u>48,447</u>

ALLEN ACTION AGENCY, INC.

A Component Unit of the Allen Parish Police Jury  
COMBINING STATEMENT OF REVENUES,

EXPENDITURES, AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2002

	CSBG Regular Grant	Summer Child Care	Emergency Energy	Commodity Distribution	Food and Nutrition Program	Headstart Fund	LiHeap Grant	Weatherization Program	United Way	Headstart Parents	Total
<b>REVENUES</b>											
State and federal grants .....	\$ 74,230	\$ -	\$ -	\$ 365	\$ 60,904	\$ 905,866	\$ 108,801	\$ 11,918	\$ 14,671	\$ -	\$1,176,755
In-kind contributions .....	-	-	-	-	-	214,123	-	-	-	-	214,123
Other .....	-	-	537	-	-	6	-	-	-	6,365	6,908
Total Revenues	74,230	-	537	365	60,904	1,119,995	108,801	11,918	14,671	6,365	1,397,786
<b>EXPENDITURES</b>											
Salaries .....	54,008	-	-	-	23,467	466,280	7,128	4,345	-	-	555,228
Fringe benefits .....	6,126	-	-	-	-	70,338	629	2,123	-	-	79,216
Travel .....	4,577	-	-	-	-	13,889	1,749	89	-	-	20,304
Program services .....	9,488	-	500	160	33,172	238,430	96,388	7,440	11,878	6,931	404,387
Capital outlay .....	-	-	-	-	-	14,942	-	-	-	-	14,942
Debt service .....	-	-	-	-	-	97,102	-	-	-	-	97,102
Other .....	-	-	-	-	-	214,123	-	-	-	-	214,123
Total Expenditures	74,199	-	500	160	56,639	1,115,104	105,894	13,997	11,878	6,931	1,385,302
Excess (Deficiency) of Revenues over Expenditures	31	-	37	205	4,265	4,891	2,907	(2,079)	2,793	(566)	12,484
FUND BALANCES (Deficit) - BEGINNING, AS PREVIOUSLY REPORTED	18	-	110	(37)	4,653	(4,859)	(5,704)	(337)	2,849	1,379	(1,928)
PRIOR PERIOD ADJUSTMENT	(34)	34	-	-	-	-	-	1032	-	-	1,032
FUND BALANCES (Deficit) - BEGINNING, AS RESTATED	(16)	34	110	(37)	4,653	(4,859)	(5,704)	695	2,849	1,379	(896)
FUND BALANCES (Deficit) - ENDING	15	34	147	168	8,918	32	(2,797)	(1,384)	5,642	813	11,588

ALLEN ACTION AGENCY, INC.  
A Component Unit of the Allen Parish Police Jury

COMPENSATION OF BOARD MEMBERS  
Year Ended June 30, 2002

During the period covered by our audit, there were no payments made to or on behalf of board members.

ALLEN ACTION AGENCY, INC.  
A Component Unit of the Allen Parish Police Jury

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2002

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Disbursements/ Expenditures</u>
U.S. Department of Health and Human Services Headstart* .....	93.600	\$ 900,975
<u>Other Federal Awards</u>		
U.S. Department of Health and Human Services Passed Through the State Department of Social Services:		
LiHeap .....	93.568	105,894
Passed Through the State Department of Labor:		
Community Services Block Grant .....	93.569	74,199
U.S. Department of Agriculture Passed Through the State Department of Agriculture and Forestry:		
Commodity Distribution .....	10.550	160
Passed Through the State Department of Education:		
Child Care Food .....	10.558	56,639
Department of Energy Passed Through the State Department of Social Services:		
Weatherization .....	81.042	13,997
Federal Emergency Management Agency Passed through the Emergency Food and Shelter Program National Board:		
Food and Shelter .....	83.523	<u>11,878</u>
<b>TOTAL FEDERAL AWARDS</b>		<b><u>\$ 1,163,742</u></b>

\*Major federal financial assistance program



ALLEN ACTION AGENCY, INC.  
A Component Unit of the Allen Parish Police Jury

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2002

Note 1 General

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the Allen Action Agency, Inc. The Allen Action Agency, Inc. reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2002. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The Headstart Program was considered a major federal program for the Allen Action Agency, Inc.

Note 2 Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Allen Action Agency, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

Note 3 Relationship to Federal Financial Reports

A reconciliation of total expenditures of federal awards reported in the schedule of expenditures of federal awards to total expenses per combined statement of revenues, expenditures, and changes in fund balances is as follows:

Total expenses per combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types	\$ 1,406,058
Less: In-kind contributions	214,123
Non-federal expenses	<u>28,193</u>
Total expenditures per schedule of federal awards	<u>\$ 1,163,742</u>

The total in-kind contributions of \$214,123 were for federal programs.

ALLEN ACTION AGENCY, INC.  
A Component Unit of the Allen Parish Police Jury

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2002

We have audited the general purpose financial statements of the Allen Action Agency, Inc. as of and for the year ended June 30, 2002, and have issued our report thereon dated October 2, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of OMB Circular A-133. Our audit of the financial statements as of June 30, 2002 resulted in an unqualified opinion.

**Section I - Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unqualified

*a. Report on Internal Control and Compliance Material to the Financial Statements*

Internal Control:

Material weakness(es) identified?	<u>  X  </u> Yes	<u>      </u> No
Reportable condition(s) identified that are not considered to be material weaknesses?	<u>      </u> Yes	<u>  X  </u> None reported
Noncompliance material to financial statements noted?	<u>      </u> Yes	<u>  X  </u> No

*b. Federal Awards*

Internal Control:

Material weakness(es) identified?	<u>      </u> Yes	<u>  X  </u> No
Reportable condition(s) identified that are not considered to be material weaknesses?	<u>      </u> Yes	<u>  X  </u> None reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	<u>      </u> Yes	<u>  X  </u> No
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Identification of major programs:

<u>CFDA Number</u>	<u>Names of Federal Program or Cluster</u>
93.600	Headstart - U.S. Dept. of Health and Human Services

ALLEN ACTION AGENCY, INC.  
A Component Unit of the Allen Parish Police Jury

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2002

Dollar threshold used to distinguish  
between type A and B programs: \$300,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

**Section II - Financial Statement Findings**

**2002-1 I/C (Material weakness)**

Segregation of duties: Because of the lack of a large staff, more specifically accounting personnel, there is a problem with segregation of duties necessary for proper controls. One person is currently performing the function of preparing disbursements, recording the disbursements in the journals, and posting to the general ledger. We do note that this situation is inherent to most agencies of this type and is difficult to solve due to the funding limitations of the Agency. We recommend that the Executive Director as well as the Board of Directors take an active interest in the review of all of the financial information. This was also a prior year finding.

**Section III - Federal Award Findings and Questioned Costs**

Audit findings required to be reported under section .510(a) of Circular A-133:

There are no findings to be reported under this section at June 30, 2002.

ALLEN ACTION AGENCY, INC.  
A Component Unit of the Allen Parish Police Jury

Management's Corrective Action Plan (Unaudited)  
For the Year Ended June 30, 2002

**2002-1 I/C**

Contact person - R.E. Weatherford, Executive Director

Corrective action - The Agency has delegated the responsibility of monthly bank reconciliations to an employee who is not responsible for other accounting records. Also, the executive director and board members will continue to take an active role in the day to day operations of the Agency. This corrective action plan is in effect as of October 2, 2002.



ALLEN ACTION AGENCY, INC.  
A Component Unit of the Allen Parish Police Jury

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2002

**01-1 (IC) (1998) Segregation of duties:**

Corrective action taken - Due to lack of sufficient financial resources, this finding cannot be resolved. See 2002-1 I/C.



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A Professional Corporation

Certified Public Accountants

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Private Company Practice Section AICPA

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Allen Action Agency, Inc.  
A Component Unit of the Allen Parish Police Jury  
Oberlin, Louisiana

We have audited the general purpose financial statements of the Allen Action Agency, Inc., Oberlin, Louisiana, a component unit of the Allen Parish Police Jury, as of and for the year ended June 30, 2002 and have issued our report thereon dated October 2, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Allen Action Agency, Inc.'s general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Allen Action Agency, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Allen Action Agency, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2002-1 I/C.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 2002-1 I/C to be a material weakness.

This report is intended solely for the information and use of management, others within the organization, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Mires & Company, CPAs, APC*

Mires & Company, CPAs, APC  
October 2, 2002



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Certified Public Accountants

Members  
American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants  
Private Company Practice Section AICPA

REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133

Board of Directors  
Allen Action Agency, Inc.  
A Component Unit of the Allen Parish Police Jury  
Oberlin, Louisiana

Compliance

We have audited the compliance of the Allen Action Agency, Inc., Oberlin, Louisiana, a component unit of the Allen Parish Police Jury, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. Allen Action Agency, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Allen Action Agency, Inc.'s management. Our responsibility is to express an opinion on the Allen Action Agency, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Allen Action Agency, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Allen Action Agency, Inc.'s compliance with those requirements.

In our opinion, the Allen Action Agency, Inc., Oberlin, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

The management of the Allen Action Agency, Inc., Oberlin, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Allen Action Agency, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being



To the Board of Directors  
Allen Action Agency, Inc.  
A Component Unit of the Allen Parish Police Jury  
Page 2

audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Mires & Company, CPAs, APC*

Mires & Company, CPAs, APC  
October 2, 2002

